



Iowa Alternative Simplified Research Activities Credit

Name(s)	SSN or FEIN
Part I - Background Information - Enter Information from Federal Form 6765	
1. Certain amounts paid or incurred to energy consortia	1. _____
2. Basic research payments paid or incurred to qualified organizations	2. _____
3. Qualified organizations base amount	3. _____
4. Wages for services used in qualified research	4. _____
5. Cost of supplies used in conducting qualified research	5. _____
6. Rental or lease costs of computers used in conducting qualified research	6. _____
7. Applicable portion of contract expenses	7. _____
8. Enter average U.S. annual gross receipts for tax years 2006 through 2009	8. _____
Part II - Calculation of Credit	
9. Certain amounts paid or incurred to energy consortia in Iowa	9. _____
10. Basic research payments paid or incurred to qualified organizations in Iowa	10. _____
11. Iowa apportioned qualified organizations base amount	11. _____
12. Subtract line 11 from line 10. If zero or less, enter zero.	12. _____
13. Add lines 9 and 12	13. _____
14. Multiply line 13 by 20% (0.20)	14. _____
15. Wages for qualified research services performed in Iowa	15. _____
16. Cost of supplies used in conducting qualified research in Iowa	16. _____
17. Rental or lease costs of computers used in conducting qualified research in Iowa	17. _____
18. Applicable portion of contract expenses for qualified research performed in Iowa	18. _____
19. Total Iowa qualified research expenses. Add lines 15 through 18	19. _____
20. Enter total qualified research expenses in Iowa for the prior three years. If you had no qualified research expenses in Iowa for any one of those years, enter zero and skip lines 21 and 22	20. _____
21. Divide line 20 by 6.0	21. _____
22. Subtract line 21 from line 19. If zero or less, enter zero	22. _____
23. Multiply line 22 by 4.55% (0.0455)	23. _____
If you skipped lines 21 and 22, multiply line 19 by 1.95% (0.0195)	
24. Iowa Alternative Simplified Research Activities Credit. Add lines 14 and 23. Enter on IA 148	24. _____
25. Supplemental Alternative Simplified Research Activities Credit. See instructions. Enter on IA 148.	25. _____
26. Pass-through Alternative Simplified Research Activities Credit received from partnership, S corporation, estate, or trust. Enter on IA 148	26. _____
27. Pass-through Supplemental Alternative Simplified Research Activities Credit received from partnership, S corporation, estate, or trust. Enter on IA 148.	27. _____
28. Total allowable Alternative Simplified Research Activities Credit. Add lines 24 through 27.	28. _____

2010 IA 128S Special Instructions and Line Instructions

Form IA 128S is used *only* if the taxpayer elects to use the Alternative Simplified Research Activities Credit. The alternative credit is available for tax years beginning on or after January 1, 2010. Form IA 128 should be used if the regular research activities credit is claimed. The taxpayer may elect to use this alternative method regardless of the method used in computing the federal research activities credit. This option is for Iowa purposes and is effective only for the current tax year. The taxpayer is not required to use this alternative method in computing the research activities credit for subsequent years.

Innovative Renewable Energy Generation

Effective July 1, 2009, research activities under the High Quality Jobs Program or under the Enterprise Zone Program include the development and deployment costs of innovative renewable energy generation components manufactured or assembled in Iowa. This cannot include components with more than 200 megawatts of installed effective nameplate capacity. These costs are not eligible for the federal research credit. A separate form IA 128S must be completed to account for these costs, which can be included on line 15 of the separate form IA 128S. The amount of the additional credit relating to these costs is not eligible for the Supplemental Alternative Simplified Research Activities Credit.

Example: An eligible business computes an Iowa Alternative Simplified Research Activities Credit of \$50,000 excluding any costs relating to innovative renewable energy generation components. When the costs relating to innovative renewable energy generation components are included on line 15, the Iowa credit is \$75,000. The business is allowed a supplemental credit of \$50,000 under the original claim, which would result in an Iowa credit of \$100,000. This can be added to the additional credit relating to the innovative renewable energy generation components of \$25,000, resulting in a total Iowa Alternative Simplified Research Activities Credit of \$125,000.

2010 IA 128S Line Instructions

Lines 1 through 8 - Enter the total amounts from the federal credit for increasing research activities, form 6765.

Lines 9, 10, 11, 15, 16, 17, & 18 - Enter only the portion of qualified research expenses that occurred in Iowa.

Line 20 - Enter the total qualified research expenses in Iowa for the three years before the year in which the credit is being determined.

Line 24 - Enter this amount on IA 148 Tax Credits Schedule under Part II using tax credit code 58.

Line 25 - If research activities are conducted by eligible businesses under the New Jobs and Income Program, New Capital Investment Program, High Quality Job Creation Program, High Quality Jobs Program, or the Enterprise Zone Program, a Supplemental Alternative Simplified Research Activities Credit may be allowed. The amount of the supplemental credit is shown in the contract entered into between the eligible business and the Iowa Department of Economic Development (Iowa DED). For awards made by the Iowa DED prior to July 1, 2010, the amount of the supplemental credit cannot exceed the amount shown on line 24. For awards made by the Iowa DED on or after July 1, 2010, the maximum supplemental credit is calculated by multiplying line 22 by 7%, or line 19 by 3%, for businesses with gross receipts of \$20 million or less. For businesses with gross receipts exceeding \$20 million, the maximum supplemental credit is calculated by multiplying line 22 by 2.1%, or line 19 by 0.9%. Enter this amount on IA 148 Tax Credits Schedule under Part II using tax credit code 59.

Line 26 - If you received pass-through Alternative Simplified Research Activities Credit(s) from a partnership, S corporation, estate, or trust, enter the amount of the credit(s) on this line. Enter each credit on IA 148 Tax Credits Schedule under Part II using tax credit code 58 and provide the pass-through information under Part IV.

Line 27 - If you received pass-through Supplemental Alternative Simplified Research Activities Credit(s) from a partnership, S corporation, estate, or trust, enter the amount of the credit(s) on this line and enter each credit on IA 148 Tax Credits Schedule under Part II using tax credit code 59 and provide the pass-through information under Part IV.

Line 28 - Add lines 24 through 27 and enter the sum. This is the total allowable Iowa Alternative Simplified Research Activities Credit. The IA 148 must be completed and attached to the tax return.